A. POLICY AND GENERAL QUESTIONS

1. Q. **Since we are using Technical Assistance Guides (TAGs) as supplements to the Handbook, why not take out all optional requirements (e.g. Record Type Two and Three) and condense the QC Handbook to just QC?**

   A. As the Handbooks and TAGs need rewriting in the future they most likely will be restructured. The Office of Management and Budget (OMB) has approved the handbook as it currently stands and we can not unilaterally change it without OMB approval. Therefore, these suggestions will have to wait until rewrites are needed.

2. Q. <u>Page III-27 of ET Handbook 395 - Sample Selection Process</u> Discretion is provided to the SESA QC supervisor to reduce the minimum sample size for a particular week according to guidelines presented in a table. Can the supervisor increase the sample in another week to offset the reduction taken previously? What should a supervisor do if the maximum discretion to reduce the sample has been exhausted but another reduction is needed due to staff illness, quit, etc.?

   A. The maximum discretion authorized to a supervisor to reduce a weekly sample is specified in the ET Handbook 395. ET Handbook 395 also states the minimum acceptable quarterly sample sizes. The supervisor must be certain that the weekly sample size is not reduced too many weeks in a quarter or the minimum quarterly sample size will not be met. For example, the average weekly sample size for an annual sample of 500 is 10. The supervisor has the authority to reduce the weekly sample size to 6, providing that at least 125 cases are sampled in the quarter. If the weekly sample size was reduced to 6 four times in a quarter, and 10 cases were sampled in each of the remaining 9 weeks in the quarter, the quarterly sample would be $(6 \times 4) + (10 \times 9) = 24 + 90 = 114$. This would be unacceptable because the minimum acceptable quarterly sample size is 125.

   If, due to unusual circumstances, the supervisor did reduce the weekly samples to such an extent during the quarter that it would be impossible to meet the minimum quarterly sample size, a SESA may sample and investigate more than the established weekly sample size. The weekly sample size, however, should neither exceed the maximum value nor fall below the minimum value given in the following table:

al Sample ocation	Weekly Sample Size	Weekly Sample Size Minimum	Weekly Sample Size Maximum	Minimum Quarterly Sample Size	Annual Discretion
400	8	6	10	100	16
500	10	6	14	125	20
600	12	8	16	150	24
700	14	8	20	175	28
800	16	10	22	200	32

The annual discretion column shows the number of cases over
the annual sample allocation that a SESA would investigate if
the weekly sample size was investigated each week. For
example, if 10 cases were sampled each week for 52 weeks, the
annual sample size would be 520, which is 20 more than the 500
annual sample allocation. Thus, a SESA with an annual sample
allocation of 500 could reduce their weekly samples by a total
of 20 cases during the year and still meet their annual sample
allocation. This built-in cushion should be sufficient to
handle any difficulties the SESAs may have during the year in
investigating the normal sample size each week.

If it appears that a SESA may not be able to achieve the
minimum weekly sample size, the Regional Office should be
contacted. Regional staff will consult with National Office
staff about such problems. Small deviations below the minimum
may be tolerated, provided that there is sufficient evidence
that the minimum sample size could not possibly be met.

B. INVESTIGATIVE PROCEDURES

1. Q. Must all cases be assigned on the date pulled? Does
       reassignment of cases change the assignment date?

    A. No, but cases must be assigned before the next week's
       sample cases are entered into the system. There are two
       reasons for this. First, if cases are not assigned the
       next week's sample pull will overwrite the previous
       week's sample pull and the origional sample pull will be
       lost. Second, case completion time lapse measurement
       starts from the week ending date of that batch
       regardless of assignment date. Failure to assign cases
       in a timely manner will reduce the time investigators
       have to complete the case within timelapse objectives.

       There are two situations where cases could be
       reassigned. They are:

       o   The supervisor reassigns the case to an
           Investigator ID # different from originally
           assigned. In this case the original assignment
           date (A-7) changes to the date of reassignment
           (current date)

       o   The supervisor returns a case to the original
           investigator after the investigator has signed off
           (i.e. to do further investigation, recoding,
           etc.). In this case QCS remands the case by
           changing QCI completion (H-11) to "2" (NO) which
           should reset QCI completion date (H-12) to all
           zeros. This does not change the original
           assignment date.

2. Q. Is there any discretion in the investigation of
       interstate claims of small amounts?

    A. No. The standard QC methodology calls for all wage
       verifications to be conducted in person. Interstate
       cases should be treated in the same manner as intrastate
       cases.

3. Q. The third paragraph of ET Handbook 395, page V-2
       indicates that an overpayment established by a SESA
       prior to the case being assigned to QC would be coded as
       if QC had established the overpayment? Why?

    A. It is possible (though unlikely) that the SESA may have
       been in the process of resolving a Key Week issue prior
       to the Key Week sample being selected or that the SESA
       had correctly resolved the issue between the time the
       original record for the Key Week was created and the
       time the QC sample was selected.

In either situation, because the original Key Week payment was paid in error it should be coded as an error by the QC unit once it is selected for the QC sample. Data element H-6, Prior Agency Action, has a code (20) that allows the SESA to identify these self-correcting situations.

4. Q. Is it necessary for the QC unit to reverify information about Social Security benefits and Alien Registration if it has been documented in the case file that verification was made at the time of initial application?

   A. For QC purposes, written verification in the file taken at initial application as provided by State written policy to verify Social Security payments and alien status will be sufficient documentation of the receipt of Social Security benefits or alien status. There is no need to send for another verification of benefits or status if there is sufficient documentation in the file.

5. Q. When reviewing the ES 511 some State QC units will accept the entry "Not Hired" without further verification, while others will require that all such referrals be verified one way or another. For those States that decide to require verification, this appears to go beyond QC methodology. Further, such an exercise is time consuming and costly for travel.

   A. Specific answers to the structuring of the investigation are largely dependent upon State law and procedures. If there are specific situations that require clarification, they should be referred to the National Office for response. There is no simple answer for this question.

   ET Handbook 395, Chapter VI-1, 2.b establishes the general guidance on this concern. States are to explore all areas of eligibility which could directly affect the Key Week. The investigation should not be structured to uncover issues arising during weeks claimed prior to the Key Week, but if discovered in the course of a Key Week investigation, such issues should also be pursued. Individual State policy and practice dictate if the investigation should be limited to "Applicant Refused Job" or "Applicant Declined Referral." For example, if it is State practice for the employment service division not to pursue employer statements such as "Not Hired", the QC investigation should be structured to determine the outcome of the referral.

6. Q. Is it necessary to verify child care if the separation was for other than child care?

   A. State law would dictate whether to proceed to verification. For example, if there is no requirement for child care prior to acceptance of a job, there is no need to pursue this concern. Conversely, if there is, verification should be pursued. As to verification source, the investigator should go directly to the individual who provides custodial care for response.

7. Q. When a case is completed should the supervisor code the case into the computer prior to the expiration of the appeal period and change if appealed or wait until the appeal period is over?

   A. When the case is completed it should be entered. The QC supervisor may enter additional information at a later date if an appeal is filed and it impacts on the outcome.

8. Q. What is the definition of "conclusion of investigation"?

   A. An investigation has been concluded when all steps described in chapter VI of ET Handbook No. 395 have been completed or when it can be reasonably determined by the QC Supervisor and is documented in the Summary of Investigation that a step cannot be completed.

9. Q. Do we expect investigators to review nonmonetary determinations to the depth that is done in QPI?

   A. Yes, as far as the determinations being correct, all the basic concepts of QPI are covered by the investigative process. RO monitors will review cases to determine whether or not adequate facts were obtained from all appropriate parties and issues were resolved in accordance with State law and written policy. The only aspect of the QPI system omitted from the QC investigative process is the evaluation of how well determinations were written, i.e., adequate explanations, proper grammar, etc., as opposed to proper conclusions.

C. DATA PROCESSING

1. Q. The statistical analysis and management reports package was not available for testing and review by the States. Will States be able to add additional data elements and case summary details to individualize reports?

   A. All reports including reports generated from the rates calculations portion of the statistical analysis function can be sent to word processing, thus enabling the reports to be customized.

2. Q. Can the DEC data be transferred to a personal computer (PC) to utilize other software packages?

   A. The data on the DEC PRO380 microcomputers in the States could be transferred to available computers for use with other software; however, there could also be media format and data format problems which the National Office is not familiar with and therefore cannot support. For this reason States are cautioned to contact their ADP staff, or PC equipment or software vendor.

   This winter the National Office will be converting the DEC PRO380 operating system to Unix System V. In that operating system there is the capability for output of the PRO380 to be in the correct format for Lotus 1-2-3. This would not, therefore, require data format conversion nor National Office support.

3. Q. An issue is raised concerning the validity of a sample which excludes all paid waiting weeks. An overpayment or underpayment of any week which was actually paid has an adverse effect upon the State Trust Fund. The effect of an overpayment of $100 on the second week of the claim has an equal effect to an overpayment for the waiting week.

   A. The sample is valid as representative of the survey population. Exclusion of waiting weeks is one of several criteria in the operational definition of the sampling frame (record type 3). The decision to exclude waiting weeks is based on the fact that the majority of States do not compensate the waiting week. It was desirable from an operational perspective to establish a uniform procedure to sample weeks compensated.

An additional problem occurs in States that pay the
waiting week. They will make that payment later (e.g. 4
weeks) and factors such as work search, availability,
ability become difficult to investigate and verify.

4. Q. <u>Page VII-1, 4., b</u>. - What records must be accessible for
       transmittal, when must these records be accessible and
       why?

    A. In general, all data specified by the National Office
       and included into the ADP system design are expected of
       the States for operation of the QC program and may be
       transmitted to the National Office for program
       monitoring. However, this data will be provided on a
       voluntary basis until QC regulations are published as
       final. The National Office is not interested and would
       not have access to nor pick up copies of state initiated
       files, such as a spreadsheet file, word processing
       files, etc.

5. Q. Funding considerations should be made for the retention
       of records and files. Back-up disks which are specially
       formatted are expensive and time consuming. Will
       Washington provide back-up for each SESA's system?

    A. The NPS funding provided to States is intended to be
       used for expenses like records and file retention. The
       special disks are needed to ensure the proper transfer
       of data in relation to the requirements of the
       hardware. These requirements are set by the
       manufacturer and not by the National Office. The
       National Office plans to back-up State files via
       telecommunications to the VAX computer in Washington.
       Any data sent will have SSN's encrypted to ensure
       privacy.

6. Q. Some error classification data elements may be utilized
       to provide additional data identification for individual
       State's needs. Can these additional codes be integrated
       into the statistical analysis package provided to SESA's?

    A. When the 'internal' report function of the error rates
       calculations is programmed, it will take into account
       the fact that there may be certain fields coded uniquely
       for the state.

7. Q. The employer's tax rate average is being skewed by
       non-contributing employers coded as 999. How can this
       be corrected?

    A. When selecting cases to analyze (using the Pick and
       Query function) these cases should be selected out of
       the universe. This can be done by setting the
       parameters of selected cases to preclude the 999.

D. DATA ELEMENTS

1. **Q. Element C-1 - Program Code**
   What code should be entered if the QC unit finds additional UI base period wages on a UCFE claim, UI or UI-UCFE? Should we list a code we know to be wrong (UI) but was in the claim when the Key Week was paid? Or do we list the code we found to be right (UI-UCFE) and which may have resulted in a supplemental payment?

   A. This data element will initially be coded based on the applicable program code, from a State's Mainframe computer file, under which the sampled payment was made. If, however, the QC investigation finds that a different Program Code applies, this data field should be changed to reflect the more accurate information.

2. **Q. Element C-4 - New/Additional Claim Filing Method and Element F-3 - Key Week Filing Method**
   The coding elements are not consistent.

   A. In fields C-4 and F-3 the goal was not consistency in all data fields but to code in order of most commonly used procedure. C-4 relates to the beginning of a claim series. F-3 relates to the method by which the Key Week was claimed in a series of weeks.

3. **Q. Element C-7 - ERPs Current Benefit Year**
   In the case of a transitional claim ERPs will not be accepted by the computer on the day of a new claim series. Should the States cheat and use the day after a new claim in the instance of a transitional claim? Or not take credit for a recent ERP?

   A. The microcomputer requires the ERP date to be later than the Benefit Year Beginning date in order to pass the edit check. A Transitional claim is a new benefit year, (usually Sunday date) the ERP date can be the next day (Monday). Any ERPs given earlier would be in the previous benefit year.

4. **Q. Element C-9 - Number of Prior Nonseparation Issues Resulting in Disqualification**
   A pension issue can result in partial or total reduction of a WBA. In coding, should we consider the issue nondisqualifying if there is only a partial reduction and disqualifying if there is a total reduction?

A. Any disqualification issued to a claimant due to these circumstances is considered to be a non-monetary determination. Therefore the coding of this element will include partial reductions as well as total reductions of a WBA.

Each individual week is not to be included in this count. Include in the count only the determination(s) issued which affected the weeks up to and including the Key Week.

5. Q. Part D - Separation Information
The claimant separates from full-time employment with employer A, immediately finds a part-time job with employer B, then files for partial benefits -- a not uncommon situation. How is this element coded: as a separation from employer A or as a "not separated" with employer B? (There are no excess earnings; no AC).

A. The QC Handbook No. 395, Part D defines several data elements regarding the sampled claimants separation. The definition used on page IV-13 controls the separation involved and states:

"The separation to be coded is that separation which precedes the period of unemployment (new/additional claim) in which the Key Week occurred. Code only the most recent adjudicable (according to State law) separation".

In the example given there was not enough information provided; however, there must have been a new or additional claim which meets the above definition and separation information would be coded to match either the new claim (separation from employer A) or additional claim (employer B). The most recent separation, according to State law, would be the one coded.

6. Q. Element D-1 - Reason for Separation Before Investigation
How should separation from military service be coded?

A. Code 50 (Other) is the appropriate code.

7. Q. Element D-3 - Recall Status Before Investigation
A claimant is laid off for "Lack of Work". There is no other information available in the UI system prior to investigation. Should this be coded "0" - No Recall or "m" - Missing/INA? It would appear that "0" would be the proper code.

A. Code "0" if truly lack of work. However if the agency has a specific space on the Initial Claim to enter the reason and it was left blank, "m" would be more appropriate to indicate data not completed. This is also true if State policy requires some sort of notification on claim even if there is no block for recall and the State does not adhere to the policy.

If the Claimant states lack of work only, the presumption is no recall. Code "0" in this instance.

8. Q. <u>Element D-3 - Recall Status Before Investigation</u>
A claimant is separated for one (1) week. What is the appropriate code, "1" - Definite Recall or "x" N/A (partial)?

A Again, if data is specifically asked for from the claimant by the SESA, code as entered. If not, code according to applicable SESA law/policy.

If the claimant was separated for a fixed length of time and the local office/SESA records indicated the same, then this would be coded "1" - Definite Recall. Should the local office/SESA records indicate that the claimant was to be recalled but no specific data is cited, then the appropriate code would be "2" Indefinite Recall.

Records which should but do not indicate the claimant's recall status or in a State where no information is ever collected, would be coded "m" - Information missing/INA.

Utilization of code "x" - Not Applicable, relates to those claimants who are receiving partial benefits for weeks in which they <u>worked</u> less than customary full time thereby qualifying for benefits at a reduced level.

Some SESAs use the term "partial" for those claimants who have been temporarily laid off by their employers for a very short duration. This term is used interchangeably with the term job attached and claims of this type are filed by employers on behalf of his/her employees. This is not the intent of this code (x) in the context of this definition.

"Partial" is to be used in accordance with the Federal definition. "A claim filed by a claimant for a week in which he/she was last employed by his/her regular employer, earned less than the weekly benefit amount plus dependent's allowance and worked less than the customary full time hours for that employer."

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9. Q. **Element D-6 - Reason for Separation After Investigation**
How will consistency be accomplished between States due to finality provisions?

A. Consistency in coding will be accomplished through adherence to the standard QC methodology which calls for coding the reason for separation in accordance with the findings of the investigation, regardless of finality provisions in the law. Another element (H-2) will capture the effect of finality laws on the propriety of the payment.

10. Q. **Element F-4, Key Week Filing Method**
Is the coding of Element F-4 to be done consistent with the State's systems of payment or with the actual Key Week payment?

A. Code it as the Key Week payment was actually filed.

11. Q. **Element F-8 - Total Other Deductible Income Before Investigation**
Should States divide by 4.3? Define "regardless of effect on the payment amount".

A. Early drafts of the handbook gave the formula for determining the weekly amount (e.g. divide by 4.3) however some States use a different method. The official handbook (issued August 1, 1986) leaves the actual formula to each State. The important thing is that information must be for the week. The phrase "regardless of effect on the payment amount" means the total amount of this type of income even if the amount or type did not reduce the weekly benefit amount.

12. Q. **Element G-1 - Work Search Requirement**
Claimant was deferred as job attached in error (i.e. should not have been deferred by the local office). What is the correct code? How does this affect G-4?

A. The coding for this item of the DCI should reflect the actual situation that was in force at the time the case was pulled. (Code 4, Job attached deferral, in the example.) If there is an error that affects the claimant's eligibility for benefits under State written law/policy, the error will be defined when recording the resulting payment error. The responsibility code would show that the payment error was due to Agency Error.

13. Q. **Element G-3, Actively/Currently Registered with Job Service as of KW**
    Some State's laws say that if a claimant files a UI claim, he is considered as automatically registered with Job Service, even if he never steps into Job Service or completes any Job Service forms. What is "registered" for purposes of QC?

    A. The determination of how to code this element is based on whether or not Job Service has enough information to refer a claimant to a job during the Key Week.

       If Job Service <u>has</u> enough information to refer a claimant to a job based on the UI application, code as a "1".

       If Job Service <u>does not have</u> enough information to refer a claimant to a job based on the UI application, code as a "2".

14. Q. **Element H-2 - Key Week Action**
    What is the correct Action Code under the following circumstances: (1) Key Week correctly paid at the time sample was drawn, later reversed by official Agency action (e.g. employer appeal which reverses the allowance of benefits, which then makes Key Week and all other weeks overpaid), and the QC investigator agrees with the official Agency action.

    (2) same situation as above but the QC investigator disagrees with the official Agency action, i.e., believes that Key Week benefits were correctly paid after all.

    A. <u>Situation 1</u> - This situation is covered by Action Code 11 or 12, whichever is most appropriate under State written law/policy.

       <u>Situation 2</u> - This situation is currently covered by Action Code 01. Random Audit codes 30 and 31 were used to record overpayments and underpayments that had been established by the Agency with which RA disagreed. The codes were used so seldom that they were deleted from the coding structure developed for QC. There is sufficient flexibility for States to track this type of case on screen I if it is a problem in a given State.

15. Q. **Element H-6 - Prior Agency Action**
If claimstaker elected to omit an employer thought to be noncovered, but in fact is covered, which is the correct prior agency action -- 30, 40, or 50?

A. Any of the three suggested codes could be appropriate depending on the specific circumstances in the case and the State's written law/policy. There are not sufficient facts provided in the example to assess which code is the _most_ appropriate. Does the claimstaker have the right/authority to determine what is/is not covered employment? If so, did the claimstaker follow prescribed procedure for determining if the employer was a covered employer? The appropriate code should be determined based on the specific facts of the case and then be used consistently for all cases that are similar to ensure data integrity.

16. Q. **Element H-9, Total Whole $ Amount of Overpayments**
Can overpayments covered by finality laws be disaggregated from the total overpayments?

A. According to QC definitions for data element coding, overpayments that are not established due to finality laws are not _offically established_ overpayments and therefore would not be coded in H-9.

17. Q. **Element H-10 - Total Whole $ Amount of Underpayments**
A State determines there should be an adjustment in the WBA resulting in a $2 underpayment. The action is officially entered into the system and later weeks were paid at the new rate but supplemental checks are not written in accordance with written policy; "The amount is forgiven." Should this underpayment be recorded?

A. If official action were not taken to issue checks for the weeks underpaid, the amount should not be recorded in H-10.

18. Q. If a State is using the optional codes provided, do Regional Monitors note exceptions when the code is correct for QC purposes but incorrect for the State's system? For example, item D-1 is correctly coded "10-LOLW" for QC purposes but for State purposes it should be coded "13-LOLW, ER Attached".

A. When reviewing SESA QC coding, Regional Monitors should assure the accuracy of the primary digit(s) of data elements which are recorded in the National QC data base. State option codes are reviewed solely to provide assistance to States. Therefore, Regional monitors should only record data element coding exceptions if the primary digit (in question, 10) is incorrect. A mistake in the State option digit should be brought to the attention of the QC unit for assistance only. In the example provided, no exception would be recorded.

19. Q. Page III-17, (23) Total Unemployment Indicator
Why can't the definition of "partial claim" include people in partial status but not having earnings (i.e. Attached to Employer)?

A. Quality Control uses the Federal definition of terms for all DCI items to maintain uniformity. A claimant that has no wages would (all other factors being acceptable) be entitled to the full benefit amount. This would put him/her in the classification of Total rather than Partial/Part Total Status.

20. Q. Page III-35, Item-10
Instructions concerning this record should be expanded (probably on page III-1 in Item 3). It appears that if a State elects to use these records, they would do one for each employer for each quarter. Item 3 states " a record" indicating that only one record is created.

A. It is already stated on Page III-10 ".....create a separate Record Type Two for each employer in each quarter...."